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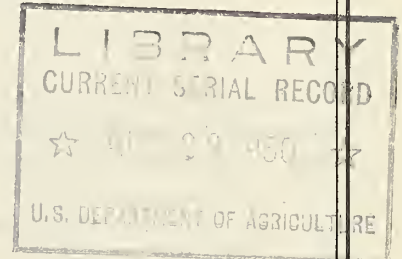
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FARM CREDIT ADMINISTRATION  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.

HANDBOOK ON  
MAJOR REGIONAL FARM SUPPLY.  
PURCHASING COOPERATIVES  
1948 AND 1949



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The Cooperative Research and Service Division conducts research studies and service activities relating to problems of management, organization, policies, merchandising, sales, costs, competition, and membership arising in connection with the cooperative marketing of agricultural products and the cooperative purchase of farm supplies and services; publishes the results of such studies; confers and advises with officials of farmers' cooperative associations; and cooperates with educational agencies, cooperative associations, and others in the dissemination of information relating to cooperative principles and practices.

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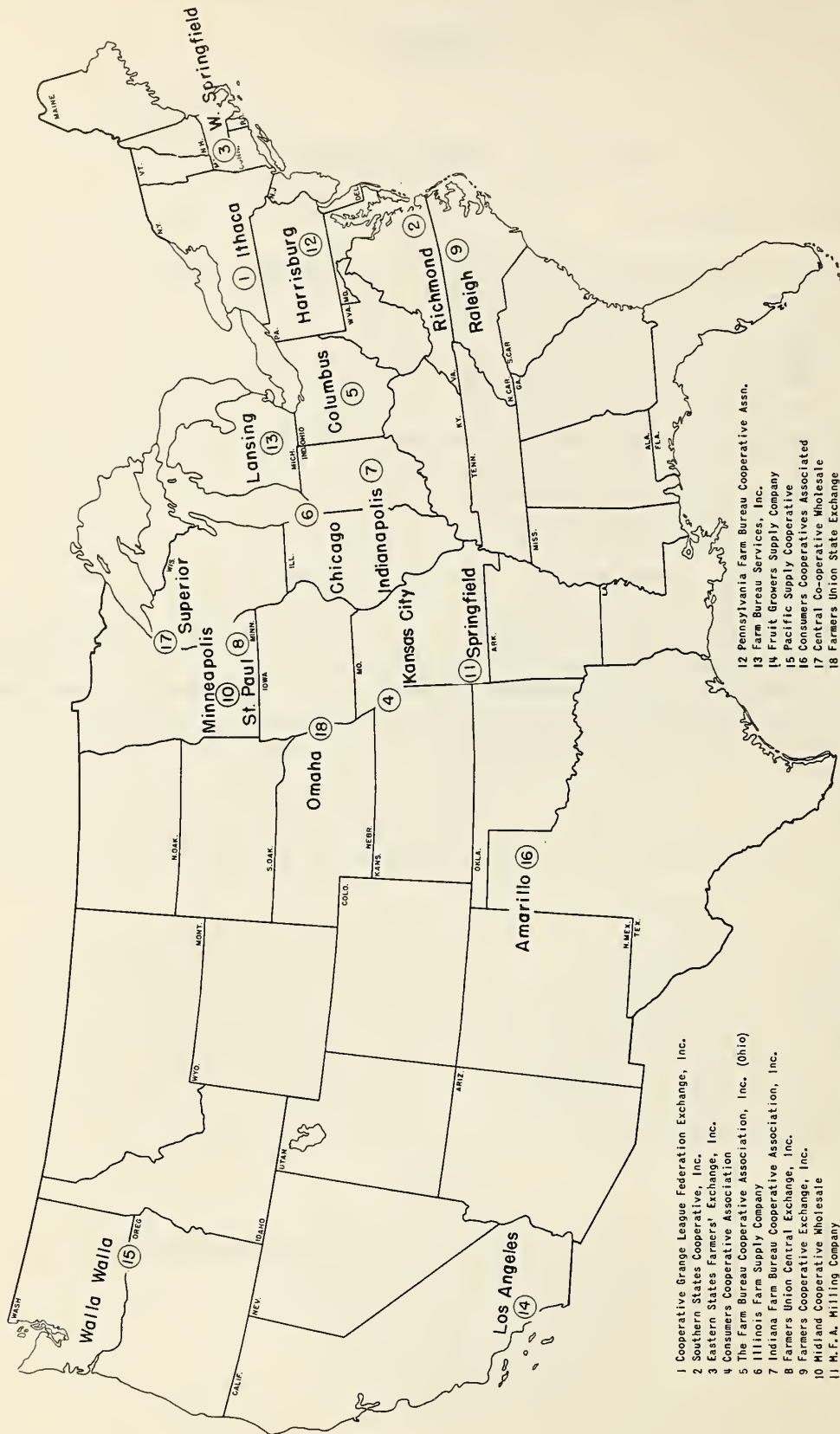
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# LOCATION OF 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



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- 18 Farmers Union State Exchange

NOTE: Associations are numbered according to their size of business volume for 1949.



# HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1948 AND 1949

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Part I of this handbook presents comparable information for each of the 18 major regional farm supply cooperatives in the United States for their fiscal years ending in 1948 and 1949. A summary of this information showing the character and significance of these associations as a group is given in Part II.

Seventeen of the associations described perform a wholesale service for retail cooperative outlets of various types. Twelve associations engaged in a wholesale business only, five did both a wholesale and a retail business, and one distributed all supplies direct to individual purchasers. Six associations also marketed farm products cooperatively. The association reports show the main points of similarity and of difference between these organizations.

It is not feasible to provide information for a considerable number of the smaller regional farm supply purchasing cooperatives. There also are many regional marketing cooperatives that perform an extensive purchasing service. Information as to the value of supplies distributed to farmers through four of these associations that had a combined supply volume of \$65 million in 1949 is shown in the appendix.

## PART I

### ASSOCIATION REPORTS FOR 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1948 AND 1949

Information for each of the 18 associations included in this report is shown in this section. The principal items considered include: Date of organization, area of service, types of local outlets, types of supplies handled and products marketed, dollar volume of wholesale, retail, and marketing business, distribution of savings, financial condition, and number of employees.

**NOTE:** Appreciation is expressed to officials of the associations that provided the information used in preparing this handbook and to Mrs. Catherine Boswell for her valuable assistance.

## COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized on June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania--the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. is a centralized cooperative. Its board of directors is responsible directly to farmer-members. Membership is determined by ownership of common stock and bona fide farm operation. Any farmer-patron who owns at least one share of G.L.F. Exchange common stock qualifies as a member.

Since it performs manufacturing, processing, wholesaling, transportation, and retailing services, G.L.F. is an integrated organization. At the end of the fiscal year, June 30, 1949, G.L.F. was providing the same type of service to about 150,000 regular farmer-patrons, or about 2 farmers out of every 3 in its service area. Farmer-patrons qualifying as members numbered about 100,000.

On June 30, 1949, the G.L.F. was serving its patrons through the following types of retail organizations:

<u>Type of retail outlet</u>	<u>Number</u>
G.L.F. retail service stores (including 5 full branches).....	234
G.L.F. zero food branches.....	4
G.L.F. farm store branches.....	47
G.L.F. petroleum bulk plants (65 actually operating including 2 branches).....	66
G.L.F. agent buyers.....	325
Independent local cooperatives.....	38
Farmer agents.....	10
Supplementary agents.....	<u>21</u>
Total retail outlets.....	<u>745</u>

G.L.F. retail service stores distribute farm supplies to and market farm products for patrons. These stores have a considerable amount of local autonomy although they are financed centrally and are supervised through management contracts that may be canceled at any time by the service stores. G.L.F. petroleum bulk plants are organized in a similar way except that they are located so they can perform a specialized petroleum service for patrons over wider areas.

Agent-buyers are private businesses that have been granted a franchise to handle G.L.F. farm supplies in accordance with policies. The independent local cooperatives are largely locally controlled farmers' marketing associations, that also perform a cooperative purchasing service. The farmer-agents generally are individual buyers who purchase in large amounts and who occasionally serve neighboring patrons.



These various types of retail outlets obtain supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses that G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The value of supplies distributed at wholesale by G.L.F. to retail outlets for the fiscal years ending June 30, 1948 and 1949 was as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed, flour, and cereals.....	\$99,122,329	\$84,514,210
Fertilizer and lime (incl. shells, bedding, etc. in 1949.....)	9,488,544	11,744,162
Seed and seed potatoes <sup>1</sup> .....	4,596,369	4,725,669
Petroleum products.....	8,498,591	10,006,298
Tires, tubes, and accessories.....	1,509,550	1,304,853
Farm equipment, accessories, parts and tools.....	3,393,898	3,709,042
Steel and other metal products.....	1,984,880	2,379,136
Building material, paint, roofing, cement, etc.....	1,783,847	1,881,692
Insecticides and sprays.....	1,580,755	1,619,580
Rope and twine.....	361,036	457,497
Molasses and cod-liver oil.....	720,854	128,058
Package materials <sup>2</sup> .....	780,655	625,583
Miscellaneous <sup>3</sup> .....	1,418,353	1,629,638
Total value of supplies distributed at wholesale before elimination of interdivision business.....	\$135,239,661	\$124,725,418
Total value of supplies distributed at wholesale after elimination of estimated interdivision business.....	<u>\$135,117,639</u>	<u>\$124,485,492</u>

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1948 and 1949 was as follows:

<u>Source of supplies or services</u>	<u>1948</u>	<u>1949</u>
G.L.F. retail service stores, farm store branches, and frozen food locker.....	\$93,505,595	\$88,489,261
G.L.F. petroleum bulk plants.....	12,092,835	14,111,721
Total value of services and supplies distributed at retail.....	<u>\$105,598,430</u>	<u>\$102,600,982</u>

<sup>1</sup>Does not include Fort Wayne shipment to non-G.L.F. outlets.

<sup>2</sup>Includes baskets and crates.

<sup>3</sup>Includes rubber and canvas, agency supplies, ladders, farm and home appliances, radios, and other commodities.

During recent years, G.L.F. has greatly expanded its cooperative marketing services for farm products. In some cases, marketing operations are performed through its retail service stores with such special facilities as may be required. In many cases, however, separate facilities such as canning plants are maintained. The following summary shows the types of marketing facilities maintained by G.L.F. as of June 30, 1949:

<u>Types of marketing facilities</u>	<u>Number</u>
Canning plants (not operating--offered for sale).....	2
Bean plants.....	3
Flour and cereal plants.....	2
Terminal egg sales agencies.....	5
Country egg stations.....	15
Terminal sales agencies for beans, wheat, and canned goods.....	2
Cold storage plants (offered for sale).....	3
Transportation service unit.....	1

The value of farm products marketed by G.L.F.<sup>4</sup> for the years ending June 30, 1948 and 1949 follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Eggs.....	\$8,554,050	\$8,027,722
Fruits and vegetables (including canned goods).....	3,112,764	3,489,194
Grain (including flours and cereals).....	4,951,457	5,733,792
Beans.....	2,380,872	1,643,438
Hay and straw.....	517,966	384,268
Miscellaneous and unclassified <sup>5</sup> .....	174,941	149,884
Purchasing from marketing units (egg cases, seed beans, seed and plants, containers, fertilizer and sprays, storage, and other services).....	<u>863,578</u>	<u>983,297</u>
Total value of farm products marketed after elimination of intercompany business.....	<u>\$20,555,628</u>	<u>\$20,411,595</u>

Net savings of the G.L.F. for the years ending June 30, 1948 and 1949 were derived as follows:

<u>Source of net savings</u>	<u>1948</u>	<u>1949</u>
Manufacturing and wholesale purchasing and marketing operations.....	\$4,920,434	\$3,350,465
G.L.F. retail service stores.....	1,665,232	1,761,831
G.L.F. retail petroleum distribution operations.....	225,388	236,034
Other operations.....	197,836	119,567
Less intercompany dividends.....	<u>-907</u>	<u>-806</u>
Total net savings.....	<u>\$7,007,983</u>	<u>\$5,467,091</u>

<sup>4</sup>Includes marketing by service stores.

<sup>5</sup>Includes poultry, livestock, and seed.

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Federal income taxes.....	-	\$938,531
Cash dividends on stock.....	\$801,284	921,858
Patronage refunds in cash.....	4,582,729	2,070,945
Additions to reserves, adjustments, etc.....	<u>1,623,970</u>	<u>1,535,757</u>
Total net savings.....	<u>\$7,007,983</u>	<u>\$5,467,091</u>

The financial condition of the Cooperative G.L.F. Exchange, Inc., and its wholesale subsidiaries as of June 30, 1948 and 1949 is shown in the following condensed consolidated balance sheet:

	<u>1948</u> (Revised)	<u>1949</u>
Assets:		
Current assets.....	\$24,525,956	\$21,417,709
Fixed assets (net).....	9,582,380	11,222,310
Other assets (investments, etc.).....	<u>6,416,042</u>	<u>10,604,140</u>
Total assets.....	<u>\$40,524,378</u>	<u>\$43,244,159</u>
Liabilities and patrons' equity:		
Current liabilities.....	\$10,495,225	\$6,600,118
Other liabilities.....	4,500,000	9,036,000
Capital stock and patrons' equity.....	<u>25,529,153</u>	<u>27,608,041</u>
Total liabilities and patrons' equity..	<u>\$40,524,378</u>	<u>\$43,244,159</u>

The following tabulation shows the number and value of facilities owned and operated by G.L.F. on June 30, 1949:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	3	\$6,548,734	\$4,937,245
Fertilizer and insecticide plants.	11	1,733,166	1,283,494
Seed cleaning plants.....	6	833,447	515,370
Wholesale farm supply warehouse...	8	430,126	383,112
Petroleum bulk storage terminals..	5	697,018	681,360
Retail farm supply stores.....	281	7,975,076	5,441,553
Bulk petroleum plants.....	66	1,292,487	694,034
Marketing warehouses and process- ing plants (includes 2 canning plants).....	31	2,071,166	1,621,092
Office buildings.....	1 (group)	593,758	430,291
Freezer-locker plants.....	5	330,823	200,394
Miscellaneous.....	6	<u>286,823</u>	<u>254,029</u>
Total value.....		<u>\$22,792,624</u>	<u>\$16,441,974</u>



On June 30, 1949, G.L.F. had 3,867 employees. Of these, 230 were engaged in general administrative activities; 1,270 in manufacturing, warehousing, and processing operations; 2,111 in retail distribution; and 256 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the 3 operating groups include administrative, accounting, and clerical employees.

#### SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It was reorganized in 1933 under its present name. At the end of its operating year on June 30, 1949, it was serving approximately 248,000 patrons in Virginia, West Virginia, Kentucky, Maryland, Delaware, and Tennessee. More than 85 percent of its patrons were farmers and 75 percent were members. A farmer-patron becomes a member by acquiring ownership of a share of stock through the application of patronage refund payments.

On June 30, 1949, the Southern States Cooperative was serving its patrons through the following types of retail outlets:

<u>Type of retail outlet</u>	<u>Number</u>
Local affiliated cooperatives:	
Farm supply stores with management contracts.....	117
Farm supply stores without management contracts.....	62
Petroleum service plants with management contracts.....	26
Locker plants with management contracts.....	10
Service agencies (private).....	570
Farmer agents (fertilizer only).....	189

The local affiliated cooperatives with management contracts are separately incorporated cooperatives whose boards of directors have employed Southern States through the medium of a management contract to perform certain management, accounting, auditing, and financial services on a fee basis. Those without management contracts are independent associations which use the Southern States Cooperative as a wholesale source of supply. The service agencies are private retail supply dealers who have been awarded the Southern States franchise by the local membership. Under the terms of this franchise, dealers handle the supplies under agreed-upon conditions. The farmer-agents are individual farmers who pool fertilizer orders and arrange for their distribution to neighbors in communities where such service is not otherwise available.

In addition to performing a wholesale service for these groups of retail outlets, Southern States Cooperative owns jointly with Farmer Cooperative Exchange of North Carolina, the Pennsylvania Farm Bureau Cooperative Association, and the Farm Bureau Cooperative Association (Ohio), Cooperative Mills that manufactures feed for the above associations.

Similarly, Cooperative Mills manufactures fertilizer for the Farmers Cooperative Exchange of North Carolina and the Pennsylvania Farm Bureau Cooperative Association.

The supplies distributed at wholesale through retail outlets, together with the supplies manufactured for the account of affiliated regional cooperatives, for the fiscal years ending June 30, 1948 and 1949, were valued as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$45,944,443	\$47,296,226
Fertilizer.....	10,126,629	11,713,209
Seed.....	4,549,453	4,841,887
Petroleum products.....	2,945,089	4,000,830
Auto accessories.....	690,723	704,473
Farm equipment and tools.....	1,300,150	1,448,608
Hardware and steel products.....	3,212,652	2,977,800
Paint and asphalt.....	822,267	831,426
Insecticides, sprays, and chemicals.....	993,887	1,058,808
Electrical equipment and appliances.....	1,079,824	1,010,712
Miscellaneous.....	127,089	72,171
Total value of supplies distributed at wholesale.....	<u>\$71,792,206</u>	<u>\$75,956,150</u>

The value of supplies distributed at retail by Southern States Cooperative managed retail outlets amounted to \$28,820,099 in 1948 and \$32,315,468 in 1949. The value of eggs marketed by the association for its patrons was \$2,551,242 in 1948 and \$1,965,519 in 1949. Poultry marketing amounted to \$4,858,134 in 1948 and \$7,497,804 in 1949. Grain marketed in 1948 was reported at \$3,544,930 and in 1949 at \$2,797,737.

The combined value of all commodities handled by the Southern States Cooperative, including supplies at wholesale and retail and farm products marketed, amounted to \$111,566,611 in 1948 and \$120,532,678 in 1949.

The total savings from all operations amounted to \$1,764,441 in 1948, and to \$2,333,153 in 1949. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$597,828	\$674,725
Patronage refunds in cash.....	520,038	657,723
Patronage refunds paid in capital stock.....	646,575	895,423
Reserves, adjustments, etc.....	-	105,282
Total net savings.....	<u>\$1,764,441</u>	<u>\$2,333,153</u>



For the year ending June 30, 1948, the association retired voting stock amounting to \$35,550, issued originally in the payment of patronage refunds. For the year ending June 30, 1949, the redemptions totaled \$3,060. The plan of retirement calls for the redemption of this stock on a 10-year basis.

The financial condition of the Southern States Cooperative, Inc., its subsidiaries and affiliated cooperatives, on June 30, 1948 and 1949, is shown in the following condensed financial statements:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$14,584,040	\$15,676,168
Fixed assets.....	10,679,847	11,121,013
Other assets.....	<u>1,890,669</u>	<u>3,972,514</u>
Total assets.....	<u>\$27,154,556</u>	<u>\$30,769,695</u>
Liabilities and net worth:		
Current liabilities.....	\$3,253,868	\$5,609,526
Deferred liabilities.....	6,083,477	5,064,981
Net worth (capital and reserves).....	<u>17,817,211</u>	<u>20,095,188</u>
Total liabilities and net worth.....	<u>\$27,154,556</u>	<u>\$30,769,695</u>

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative, Inc., its subsidiaries and affiliated cooperatives on June 30, 1949:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Poultry and egg marketing outlets...	5	\$757,914	\$631,765
Frozen-food locker plants.....	10	644,360	573,003
Feed mills.....	5	3,072,605	2,091,148
Fertilizer plants.....	4	1,359,621	1,093,685
Seed cleaning plants and wholesale farm supply warehouses.....	9	2,121,047	1,730,909
Southern States Cooperative retail service stores.....	117	1,657,050	1,373,874
Bulk petroleum plants.....	26	893,942	759,728
Oil delivery trucks.....	83	350,330	226,052
Transport trucks.....	21	86,247	61,228
General delivery trucks.....	234	472,080	212,153
Research and analysis laboratory....	1	13,186	4,352
Grain marketing facilities.....	2	<u>261,352</u>	<u>234,152</u>
Total value.....		<u>\$11,689,735</u>	<u>\$8,992,049</u>

On June 30, 1949, Southern States Cooperative had 2,345 employees. Of these, 368 were engaged in general administrative activities, 1,390 in manufacturing and processing operations or in marketing operations, and 587 in retail distribution.

#### EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Inc., with headquarters at West Springfield, Mass., was organized on January 28, 1918. By December 31, 1948, it was serving 123,435 patrons located in the 6 New England States, Pennsylvania (except for the northern tier of counties), Delaware, and part of Maryland.

Membership in Eastern States is determined by patronage. Every farmer who purchases through the association becomes a member and remains a member for the calendar year following the date of his last purchase. Only 2.5 percent of the 1949 volume of business was with non-farmers.

Patrons are served through 455 farmer-representatives, through 21 independent cooperative associations that also serve as representatives, and through 76 regional branch warehouses strategically located to supplement local car-door distribution.

Eastern States is an integrated farmers' cooperative production supply procurement agency. Supplies to patrons in 1948 and 1949 were as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed and grain.....	\$70,598,398	\$67,072,105
Field seeds.....	2,113,865	2,482,767
Seed potatoes.....	1,330,021	1,163,703
Vegetable seeds.....	222,871	294,403
Fertilizer and lime.....	4,058,056	4,930,174
Spray materials.....	861,613	941,775
Miscellaneous (roofing, paints, lubricants, etc.).....	1,246,114	1,440,507
Total value of supplies distributed.....	<u>\$80,430,938</u>	<u>\$78,325,434</u>

Net savings of patrons on purchases made through Eastern States were \$2,127,739 in 1948 and \$1,457,370 in 1949. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Patronage refunds in cash.....	\$1,425,585	\$976,438
Amount allocated to members and retained....	702,154	480,932
Total net savings.....	<u>\$2,127,739</u>	<u>\$1,457,370</u>

The financial statements for the Eastern States Farmers' Exchange as of December 31, 1948 and 1949, were as follows:

	<u>1948</u> (Revised)	<u>1949</u>
Assets:		
Current assets.....	\$11,502,874	\$12,529,477
Fixed assets.....	13,927,434	14,256,469
Other assets.....	889,907	846,954
	<hr/>	<hr/>
Total assets.....	<u>\$26,320,215</u>	<u>\$27,632,900</u>
Liabilities and net worth:		
Current liabilities and reserves.....	\$3,308,576	\$2,688,883
Fixed indebtedness.....	10,000,000	9,000,000
Net worth (patrons' equity).....	13,011,639	15,944,017
	<hr/>	<hr/>
Total liabilities and net worth.....	<u>\$26,320,215</u>	<u>\$27,632,900</u>

All net worth, or patrons' equity, in this non-stock, farmers' cooperative was accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has chosen to make of the services provided.

On December 31, 1949, the Eastern States had 1,376 employees, of whom 416 were employed in general administration, 700 in manufacturing and processing, and 260 in distributing through its warehouses. These figures include only employees on the payroll of the organization. They do not include farmer-representatives and employees of cooperatives distributing supplies for the Eastern States as their compensation is in the form of local handling charges paid by members direct.

#### CONSUMERS COOPERATIVE ASSOCIATION

The Consumers Cooperative Association, Kansas City, Mo., was organized in 1929. At the end of its operating year, August 31, 1949, it served 1,455 member and 748 nonmember associations in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Colorado, North Dakota, South Dakota, Utah, and Wyoming. These associations, in turn, served approximately 398,000 patrons, of whom about 98 percent were farmers.



The value of supplies distributed at wholesale by the Consumers Cooperative Association and subsidiaries is shown in the following summary for the fiscal years ending August 31, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Petroleum products.....	\$37,089,109	\$37,081,803
Tires, tubes, and auto accessories.....	2,220,913	1,942,411
Propane equipment and supplies.....	698,201	488,571
Farm machinery and parts.....	1,545,995	2,190,151
Farm equipment.....	346,969	348,113
Lumber, paint and building supplies.....	2,314,752	2,019,595
Hardware.....	70,951	255,734
Feed.....	5,447,012	5,678,828
Seed.....	1,806	9,122
Fertilizer.....	815,339	1,635,598
Insecticides.....	424,060	503,905
Fence and wire.....	456,371	488,286
Farm and home appliances.....	777,728	593,638
Twine.....	263,375	245,184
Coal and coke.....	6,262	10,538
Groceries.....	993,836	1,064,765
Store supplies and equipment.....	56,227	88,386
Miscellaneous <sup>6</sup> .....	<u>359,644</u>	<u>473,789</u>
Total value of supplies distributed.	<u>\$55,888,550</u>	<u>\$55,118,417</u>

The Consumers Cooperative Association employs a subsidiary corporation to perform manufacturing services--the Cooperative Refinery Association.

All of the common stock of the Cooperative Refinery Association is owned by the Consumers Cooperative Association. Savings of the subsidiary after reserves have been created and dividends paid on common and preferred stock accrue to the Consumers Cooperative Association. For that reason, the full financial condition of the enterprise controlled by the Consumers Cooperative Association can be shown only by combining the financial statements of the Consumers Cooperative Association with those of its subsidiary corporation.

<sup>6</sup>Includes, housewares, household supplies, feed bags, printing supplies, drugs and cosmetics, sporting goods, and sundries.

The consolidated balance sheet of the Consumers Cooperative Association and its subsidiary for the years ending August 31, 1948 and 1949 was as follows:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$15,036,302	\$19,317,511
Fixed assets.....	17,753,663	23,615,127
Other assets.....	<u>7,602,247</u>	<u>6,098,831</u>
Total assets.....	<u>\$40,392,212</u>	<u>\$49,031,469</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$8,933,648	\$18,286,613
Other liabilities.....	10,045,306	10,713,872
Net worth.....	<u>21,413,258</u>	<u>20,030,984</u>
Total liabilities and net worth.....	<u>\$40,392,212</u>	<u>\$49,031,469</u>

The following summary shows the combined net savings of the Consumers Cooperative Association and its subsidiary for the years ending August 31, 1948 and 1949:

	<u>1948</u>	<u>1949</u>
Consumers Cooperative Association.....	\$2,153,940	\$48,275
Cooperative Refinery Association.....	<u>5,865,220</u>	<u>38,059</u>
Total net savings.....	<u>\$8,019,160</u>	<u>\$86,334</u>

Savings were distributed in the following manner for the past 2 years:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$102,524	\$93,683
Patronage refunds in cash.....	62,134	21,960
Patronage refunds in share capital.....	2,866,323	1,056
Additions to reserves.....	1,280,363	-32,280
Deferred patronage refunds and revolving fund.....	3,329,050	1,105
Provision for income tax.....	<u>378,766</u>	<u>810</u>
Total net savings.....	<u>\$8,019,160</u>	<u>\$86,334</u>

Other affiliated and partially owned businesses of CCA-CRA provided additional margins for a grand total of \$437,378 as follows:

CCA-CRA.....	\$86,334
The Cooperative Finance Association, Inc.....	546
Consumers Insurance Agency.....	7,413
Bridgeport Oil Co., Inc. (proportionate to ownership).....	<u>343,085</u>
	<u>\$437,378</u>



Certificates in the amount of \$530,891 originally issued as 1943 deferred patronage refunds were retired during the year under the revolving fund plan.

The Consumers Cooperative Association and its subsidiary corporations had 2,414 employees on August 31, 1949--605 in general administration, 1,479 in manufacturing and processing,<sup>7</sup> 330 in wholesale distribution.

#### THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1949, it was serving 89 member associations with 216 distributing points in the State of Ohio. These cooperative outlets served 175,000 patrons, of whom 90 percent were farmers.

The value of supplies distributed at wholesale during 1948 and 1949 is shown in the following summary:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$11,225,999	\$10,332,913
Fertilizer.....	4,258,688	4,464,580
Seed and seed potatoes.....	2,161,276	1,879,144
Gas, oil and grease.....	7,946,123	10,388,418
Tires, tubes and other accessories.....	230,327	179,621
Farm machinery.....	3,831,371	2,281,056
Farm equipment.....	219,769	197,260
Steel products.....	1,677,029	1,090,810
Lumber, paint and other maintenance equipment.....	1,370,937	1,018,316
Insecticides.....	344,530	378,140
Electrical equipment and appliances.....	259,568	302,774
Coal.....	505,796	229,974
Miscellaneous farm supplies.....	837,267	831,475
Total value of supplies distributed at wholesale.....	<sup>8</sup> \$34,868,680	<sup>9</sup> \$33,574,481

The value of farm products marketed through The Farm Bureau Cooperative Association, Inc., amounted to the following:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Grain.....	\$17,940,757	\$19,668,056
Eggs.....	1,853,859	1,512,064
Total value of farm products marketed..	<u>\$19,794,616</u>	<u>\$21,180,120</u>

<sup>7</sup>264 were employed in canning operations during canning season only.

<sup>8</sup>Includes \$41,502 intercompany transactions.

<sup>9</sup>Includes \$6,822 intercompany transactions.

The total net savings from all operations amounted to \$1,442,907 in 1948 and to \$962,504 in 1949. These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$258,945	\$315,467
Cash patronage refunds.....	9,235	6,411
Patronage refunds in capital stock.....	814,000	400,000
Amount retained in reserves.....	360,727	240,626
<b>Total net savings.....</b>	<b><u>\$1,442,907</u></b>	<b><u>\$962,504</u></b>

Stock or certificates amounting to \$258,671, originally issued as patronage refunds, were retired during the year under revolving fund plans.

The financial condition of The Farm Bureau Cooperative Association, Inc., as of December 31, 1948 and 1949 is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$8,364,173	\$9,161,515
Fixed assets.....	2,264,404	2,302,821
Other assets.....	4,649,043	4,863,581
<b>Total assets.....</b>	<b><u>\$15,277,620</u></b>	<b><u>\$16,327,917</u></b>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$3,302,282	\$4,138,233
Other liabilities.....	2,286,022	2,123,338
Net worth (capital and reserves).....	9,689,316	10,066,346
<b>Total liabilities and net worth.....</b>	<b><u>\$15,277,620</u></b>	<b><u>\$16,327,917</u></b>

Forty-one percent of the net worth was accumulated through the sale of stock and 59 percent was built up by savings.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association, Inc., at the close of the 1949 fiscal year are as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	3	\$890,731	\$481,637
Fertilizer plants.....	5	615,632	278,315
Wholesale farm supply warehouses.....	7	316,250	206,500
Transport trucks.....	11	100,001	35,182
Oil delivery trucks.....	13	192,124	103,524
<b>Total value.....</b>		<b><u>\$2,114,738</u></b>	<b><u>\$1,105,158</u></b>

In addition to the facilities listed, the association has invested \$1,873,428 in feed, fertilizer, petroleum processing, and other facilities

jointly owned with other cooperative associations and \$2,634,013 in wholly owned refining and pipe line facilities.

As of December 31, 1949, The Farm Bureau Cooperative Association, Inc., had 564 employees. Of this number, 227 were engaged in general administration, 176 in manufacturing and processing, and 161 in wholesale distribution.

#### ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1949, it was providing a wholesale farm supply service for 164 member associations throughout the State of Illinois.<sup>10</sup> The member associations, in turn, served about 125,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must be engaged wholly or partly in the cooperative distribution of farm supplies.

The value of supplies distributed at wholesale by the Illinois Farm Supply Company during the fiscal years ending August 31, 1948 and 1949 was as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$7,867,297	\$8,419,306
Fertilizer.....	4,093,445	4,606,220
Petroleum products.....	23,544,683	25,327,384
Tires, tubes, and accessories.....	975,588	758,614
Farm equipment.....	995,169	987,485
Steel products.....	503,363	752,854
Lumber, paint and other maintenance equipment..	1,459,203	656,265
Insecticides.....	360,987	583,201
Electrical equipment.....	98	147
Twine.....	70,891	38,661
Miscellaneous <sup>11</sup> .....	3,048,514	2,855,147
Total value of supplies distributed at wholesale.....	<u>\$42,919,238</u>	<u>\$44,985,284</u>

The total net savings from all operations amounted to \$1,583,424 in 1948 and to \$1,629,766 in 1949.<sup>12</sup> These savings were distributed for the 2 years in the following way:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$156,008	\$289,077
Patronage refunds in cash.....	926,516	1,000,689
Patronage refunds in capital stock.....	-	265,000
Additions to reserves.....	500,000	75,000
Total net savings.....	<u>\$1,583,424</u>	<u>\$1,629,766</u>

<sup>10</sup>Eighty-five of the member associations are cooperative petroleum service companies that operate over the county-wide areas. The remaining 79 are farmers' cooperatives of various types.

<sup>11</sup>Miscellaneous figures include the gross freight income of the transportation department.

<sup>12</sup>Net savings after deducting payment of income tax was \$414,308 in 1948 and \$233,565 in 1949. Total earnings before tax amounted to \$1,997,732 in 1948 and to \$1,863,332 in 1949.



The financial condition of the Illinois Farm Supply Company as of August 31, 1948 and 1949 was as follows:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$5,221,531	\$6,117,299
Fixed assets.....	1,568,307	3,990,421
Other assets <sup>13</sup> .....	<u>4,094,355</u>	<u>4,346,446</u>
Total assets.....	<u>\$10,884,193</u>	<u>\$14,544,166</u>
Liabilities and net worth:		
Current liabilities.....	\$3,569,273	\$3,547,203
Other liabilities.....	240,437	<sup>14</sup> 2,725,473
Net worth (capital and reserves).....	<u>7,074,483</u>	<u>8,181,490</u>
Total liabilities and net worth.....	<u>\$10,884,193</u>	<u>\$14,454,166</u>

On August 31, 1949, 69 percent of the net worth had been accumulated through the sale of stock, while 31 percent represented retained savings.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company as of August 31, 1949, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill.....	2	\$1,035,882	\$974,347
Marine terminal bulk petroleum plants..	2	336,895	247,713
Transport trucks.....	28	320,104	154,095
Barges.....	10	422,744	360,269
Towboats.....	3	670,815	568,296
Tire recapping plant.....	1	11,629	1,042
Other operating facilities.....		231,933	165,361
Plant food plant.....	1	<u>1,561,632</u>	<u>1,519,298</u>
Total value.....		<u>\$4,591,634</u>	<u>\$3,990,421</u>

As of August 31, 1949, the Illinois Farm Supply Company had 375 employees; 121 were engaged in general administration, and 254 in whole-sale distribution.

#### INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters at Indianapolis, Ind., was organized in its present form in February 1927. At the end of its operating year, December 31, 1949, it was

<sup>13</sup>Other assets include investment in wholly owned subsidiaries (1 refinery, 1 pipe line). Also investment in 5 refineries and other small investments.

<sup>14</sup>Includes \$2,700,000 balance due on 10 year 4 percent debentures.

serving 85 county farm bureau cooperative associations in Indiana<sup>15</sup> and 1 in Kentucky. These 86 associations distribute supplies to approximately 130,000 patrons, 95 percent of whom are farmers.

Supplies distributed at wholesale during 1948 and 1949 were as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$5,556,596	\$6,954,420
Fertilizer.....	3,784,973	4,711,188
Seed.....	1,309,107	1,483,042
Gas, oil, and grease.....	12,094,513	12,140,225
Tires, tubes, and other accessories.....	297,239	194,482
Farm machinery.....	4,699,111	2,816,702
Farm equipment.....	338,672	323,603
Steel products.....	2,402,663	1,861,631
Lumber, paint, and other maintenance equipment.....	3,306,532	2,276,599
Insecticide.....	149,111	184,180
Electrical equipment and appliances.....	865,657	674,607
Twine.....	40,501	52,173
Coal.....	1,501,950	765,506
Chicks, eggs, and poultry.....	229,058	254,684
Hog serum and virus.....	133,735	216,641
Miscellaneous.....	812,821	680,317
Total value of supplies distributed at wholesale.....	<u>\$37,522,239</u>	<u>\$35,590,000</u>

Farm products marketed by the association in 1948 included poultry and eggs. Their total value was \$1,604,098 in 1948 and \$3,326,207 in 1949.

The total net savings on all operations amounted to \$3,347,253 in 1948 and \$1,761,929 in 1949. Savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$431,102	\$584,183
Patronage refunds in cash.....	2,916,151	-
Patronage refunds in stock.....	-	942,197
Amount retained in reserves.....	-	235,549
Total net savings.....	<u>\$3,347,253</u>	<u>\$1,761,929</u>

In March 1948 the association retired all common stock that had been issued up to January 1, 1942, under the revolving fund plan amounting to \$270,500--\$268,400 in common voting stock and \$2,100 in non-voting stock.

<sup>15</sup>Many of these county cooperatives also render marketing services for grain, wool, poultry, eggs, and other products through related State Farm Bureau marketing associations.



The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., on December 31, 1948 and 1949, is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$12,819,201	\$11,142,892
Fixed assets.....	4,701,751	5,082,970
Other assets.....	<u>6,975,003</u>	<u>5,794,294</u>
Total assets.....	<u>\$24,495,955</u>	<u>\$22,020,156</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$7,261,224	\$2,664,510
Other liabilities.....	1,859,769	1,406,234
Net worth (capital and reserves).....	<u>15,374,962</u>	<u>17,949,412</u>
Total liabilities and net worth.....	<u>\$24,495,955</u>	<u>\$22,020,156</u>

On December 31, 1949, the association reported that 72.3 percent of its net worth represented retained savings; the remaining 27.7 percent had been accumulated through the sale of stock.

At the close of 1949, the principal facilities owned and operated included the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plants.....	1	\$1,057,507	\$797,923
Seed cleaning plants.....	1	50,226	30,743
Wholesale farm supply warehouses....	1	410,442	374,938
Petroleum refinery.....	1	2,537,691	1,870,420
Transport trucks.....	24	241,195	115,846
General delivery trucks.....	17	51,273	31,827
Barges.....	2	60,267	36,913
General office building.....	1	<u>301,541</u>	<u>297,018</u>
Total value.....		<u>\$4,710,142</u>	<u>\$3,555,628</u>

In addition, investments of approximately \$2,192,000 in facilities were owned jointly with other cooperative associations.

At the close of the 1949 season the association had 880 employees--237 in general administrative activities, 458 in manufacturing and processing, and 185 in wholesale distribution work.

## FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of December 1949, it was serving 450 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It also was serving 361 non-member associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho, and Wyoming.

The value of supplies distributed at wholesale during 1948 and 1949 was as follows:

	<u>1948</u>	<u>1949</u>
Feed.....	\$1,874,006	\$1,811,265
Seed.....	295,932	460,763
Fertilizer.....	1,077,513	761,478
Gas, oil, and grease.....	23,728,402	19,531,306
Fuel oil.....	-	4,999,334
Tires, tubes, and other accessories.....	2,611,777	1,990,050
Farm machinery.....	2,942,162	2,827,728
Steel products.....	324,357	-
Milking machines.....	-	52,031
Paint.....	1,117,592	222,489
Hardware and building material.....	761,378	1,206,780
Insecticides.....	21,564	-
Electrical equipment and appliances.....	773,818	459,994
Twine.....	160,983	189,165
Coal.....	10,552	8,346
Groceries.....	159,674	56,475
Agricultural chemicals.....	234,100	309,421
Miscellaneous.....	316,333	102,984
Total value of supplies distributed at wholesale.....	<u>\$36,410,143</u>	<u>\$34,989,609</u>

The total net savings on supply operations amounted to \$2,907,180 in 1948 and \$2,477,332 in 1949. In addition, savings in the form of stock and stock credits from other cooperatives amounted to \$1,840,415 in 1948 and \$380,918 in 1949. The net savings totaled \$4,747,595 for 1948 and \$2,858,250 for 1949. These savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash.....	\$158,615	\$3,677
Educational fund.....	221,789	133,895
Patronage refunds in capital stock.....	2,998,597	1,863,204
Amount retained in reserves.....	1,186,899	714,562
Employees' savings-sharing fund.....	181,695	142,912
Total net savings.....	<u>\$4,747,595</u>	<u>\$2,858,250</u>

The financial condition of the Farmers Union Central Exchange, Inc., on December 31, 1948 and 1949, is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$8,264,691	\$8,339,352
Fixed assets.....	2,182,596	2,429,383
Other assets.....	304,550	421,404
Investments.....	<u>7,735,594</u>	<u>7,879,352</u>
Total assets.....	<u>\$18,487,431</u>	<u>\$19,069,491</u>
Liabilities and net worth:		
Current liabilities.....	\$3,223,188	\$3,056,997
Non-current liabilities.....	1,781,815	203,161
Net worth (capital and reserves).....	<u>13,482,428</u>	<u>15,809,333</u>
Total liabilities and net worth.....	<u>\$18,487,431</u>	<u>\$19,069,491</u>

Facilities owned and operated at the close of 1949 included:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses.....	5	\$240,266	\$184,595
Oil blending plant and main buildings..	10	1,111,997	967,989
Oil blending equipment.....		110,647	54,674
Auto and trucks.....		90,719	68,439
Furnitures and fixtures.....		223,861	148,091
Refinery property.....	1	1,795,882	856,729
Bottled gas plants and equipment.....	4	163,224	123,559
Other facilities.....		<u>25,307</u>	<u>25,307</u>
Total value.....		<u>\$3,761,903</u>	<u>\$2,429,383</u>

On December 31, 1949, the Farmers Union Central Exchange, Inc., had 425 employees--243 in general administrative activities and 182 in manufacturing, processing, and wholesale distribution work.

#### FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as F.C.X., with headquarters at Raleigh, N. C., was organized on March 12, 1934.<sup>16</sup> It serves approximately 153,000 patrons in North and South Carolina, almost all of whom are farmers.

<sup>16</sup>The F.C.X. is closely related to the North Carolina Cotton Growers Cooperative Association. The same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Association was valued at \$10,170,000 during the 1948 season and \$14,134,000 during the 1949 season. The association's net worth on June 30, 1948 totaled \$663,003 and on June 30, 1949, \$619,093.



The F.C.X. distributes supplies through 51 F.C.X. centrally managed retail service stores, 36 independent cooperative associations, 175 private dealer agencies, and approximately 100 farmers who serve as "order takers" for fertilizer.

Supplies distributed at wholesale by the F.C.X. were as follows for the years ending June 30, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feeds and grains.....	\$5,509,706	\$5,054,884
Fertilizer.....	1,615,195	2,052,069
Seed.....	1,876,443	2,060,720
Steel, asphalt, and building materials.....	1,630,600	2,561,069
Paint supplies.....	70,611	82,041
Farm machinery.....	631,913	885,571
Electrical appliances.....	314,113	414,388
Oils, tires, and tubes.....	54,932	52,394
Sprays and dusts.....	488,080	236,315
Miscellaneous farm supplies.....	<u>4,021,604</u>	<u>600,827</u>
Total value of supplies distributed at wholesale.....	<u>\$16,213,197</u>	<u>\$14,000,278</u>

The value of supplies distributed at retail by F.C.X.-managed retail outlets amounted to \$12,149,930 in 1948 and \$13,382,449 in 1949.

The value of farm products marketed by the F.C.X. was as follows for 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Seeds and grain.....	\$1,493,238	\$1,074,676
Eggs, poultry, livestock, and miscellaneous..	<u>924,793</u>	<u>910,020</u>
Total value of farm products marketed...	<u>\$2,418,031</u>	<u>\$1,984,696</u>

Total net savings for the combined operations of F.C.X. amounted to \$521,010 at the end of the fiscal year June 30, 1948 and \$380,763 at the end of the fiscal year June 30, 1949. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$92,931	\$127,283
Cash patronage refunds (by Mecklenburg FCX)....	18,462	12,353
Patronage refunds in capital stock.....	391,802	238,752
Amount retained in reserves.....	<u>17,815</u>	<u>2,375</u>
Total net savings.....	<u>\$521,010</u>	<u>\$380,763</u>

Stock or certificates totaling \$824, originally issued as patronage refunds, were retired during the year under the revolving fund plan.

The financial condition of the F.C.X. on June 30, 1948 and June 30, 1949 is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$3,293,706	\$3,860,132
Fixed assets (depreciated).....	980,205	1,507,320
Other assets.....	<u>827,835</u>	<u>916,350</u>
Total assets.....	<u>\$5,101,746</u>	<u>\$6,283,802</u>
Liabilities and net worth:		
Current liabilities.....	\$1,877,471	\$1,652,602
Other liabilities.....	-	491,800
Net worth (capital and reserves).....	<u>3,224,275</u>	<u>4,139,400</u>
Total liabilities and net worth.....	<u>\$5,101,746</u>	<u>\$6,283,802</u>

The F.C.X. and Southern States Cooperative, Inc., jointly own a cooperative feed mill at Statesville, N. C. They jointly manufacture feed at Cooperative Mills in Norfolk and Roanoke, Va., and fertilizer at a cooperative fertilizer plant in Norfolk. The F.C.X. investment in these facilities on June 30, 1949 amounted to \$505,970. The F.C.X. also owns 20 seed-cleaning plants and 120 general delivery trucks.

At the close of the 1949 fiscal year the F.C.X. had 614 employees--92 in general administration, 485 in retail distribution, and 37 in wholesale distribution.

#### MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1949, it was serving 594 member associations with 240,000 patrons, 95 percent of whom were farmers. It was also serving 86 nonmember associations with 10,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter. It also operates throughout Wisconsin except for the extreme north, in northern Iowa, and in the extreme eastern part of the Dakotas.



The value of supplies distributed at wholesale by the Midland Cooperative Wholesale in 1948 and 1949 was as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed, flour, and middling.....	\$3,124,281	\$2,653,614
Fertilizer.....	1,615,507	1,504,182
Seed.....	594,596	1,151,677
Gas, oil, and grease.....	16,520,612	16,623,757
Tires, tubes, and accessories.....	1,410,961	985,028
Farm machinery.....	1,615,771	1,332,573
Equipment.....	754,410	217,052
Steel products.....	505,247	357,741
Paint, etc.....	192,008	164,069
Insecticides.....	61,915	44,174
Electrical equipment.....	1,063,335	695,674
Coal.....	229,623	248,584
Groceries and dry goods.....	1,436,664	764,236
Hardware.....	420,209	368,145
Miscellaneous.....	4,833	4,107
Total value of products distributed at wholesale.....	<u>\$29,549,972</u>	<u>\$27,114,613</u>

The total net savings on supply operations, after income tax, amounted to \$2,069,228 in 1948 and a loss of \$197,164 was reported in 1949. These were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$165,969	-
Patronage refunds in capital stock.....	1,712,933	-
Amount retained in unallocated surplus.....	190,326	-\$197,164
Total net savings after all income taxes, Federal and State.....	<u>\$2,069,228</u>	<u>-\$197,164</u>

The financial condition of the Midland Cooperative Wholesale as of December 31, 1948 and 1949, is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$6,528,892	\$6,038,593
Fixed assets.....	3,780,437	3,899,145
Other assets.....	5,589,194	5,887,620
Total assets.....	<u>\$15,898,523</u>	<u>\$15,825,358</u>
Liabilities and net worth:		
Current liabilities.....	\$3,986,658	\$4,816,309
Other liabilities.....	3,157,025	1,936,700
Net worth (capital and reserves).....	8,754,840	9,072,349
Total liabilities and net worth.....	<u>\$15,898,523</u>	<u>\$15,825,358</u>

On December 31, 1949, the Midland Cooperative Wholesale owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Crude oil properties.....		\$3,100,338	\$1,847,149
Refinery (complete).....	1	1,918,836	1,437,566
Oil blending plants and bulk petroleum plants and warehouses....	2	592,157	470,283
Transport trucks and trailers.....	3	32,445	22,063
Other properties.....		240,715	122,084
Total value.....		<u>\$5,884,491</u>	<u>\$3,899,145</u>

Investments by Midland in other production and operating facilities made jointly with other cooperatives were as follows at the end of 1949:

<u>Type of facility</u>	<u>Amount invested</u>
Fertilizer, feed, and seed processing.....	\$1,070,321
Shingle mill and timber.....	25,727
Refinery and pipe line.....	3,679,577
Farm machinery factories.....	183,595
Soybean mill.....	139,929
Properties of National Cooperatives, Inc. (including milking machine factory).....	372,587
Coal mine.....	188,000
Total investments.....	<u>\$5,659,736</u>

At the close of the 1949 operating season, the Midland Cooperative Wholesale had 434 employees--12 in general administration and 422 in manufacturing, processing, and wholesale distribution.

#### M. F. A. MILLING COMPANY

The M.F.A. Milling Company, with headquarters at Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1949, it was serving 165 local M.F.A. farmers' cooperative exchanges with 60,000 farmer-members. The M.F.A. Milling Company, the largest wholesale purchasing association affiliated with the Missouri Farmers Association, is owned by local M.F.A. cooperatives in south Missouri.<sup>17</sup> The local cooperatives, in

<sup>17</sup>In addition to the M.F.A. Milling Company, 15 of the 35 major agencies affiliated with the M.F.A. are engaged in the purchasing of farm supplies. These 16 major agencies, including the M.F.A. Milling Company, handled \$36,770,777 worth of farm supplies in the fiscal year ending in 1949, while 14 major agencies handled \$33,781,134 in the fiscal year ending in 1948. Feed supplies made up the major share of this volume, accounting for about 60 percent of the total. The next largest item was petroleum products which comprised about 15 percent of the total volume.

These 16 M.F.A. affiliated major agencies had assets in 1949 of \$13,089,864 compared with liabilities of \$6,730,700 and a net worth of \$6,359,064.

These purchasing operations do not include data on 245 local M.F.A. exchanges, as there is some duplication between their volume and that of the major agencies.

turn, are owned by the M.F.A. members which they serve. The M.F.A. Milling Company is organized on a nonstock, nonprofit plan, and is financed by patrons' equities. Half of the board of directors is named by the local cooperatives it serves, which constitute its membership, and the other half is named by the State Board of the Missouri Farmers Association.

Supplies distributed at wholesale by the M.F.A. Milling Company were as follows during the years ending June 30, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$18,154,132	\$17,071,326
Seed.....	598,537	663,024
Wire.....	286,113	305,708
Twine.....	57,117	47,240
Paint.....	33,496	29,518
Total value of supplies distributed at wholesale.....	<u>\$19,129,395</u>	<u>\$18,126,816</u>

The total net savings amounted to \$833,039 in 1948 and \$932,840 in 1949.

Three hundred thousand dollars in stock or certificates originally issued as patronage refunds were retired in 1948 under the revolving fund plan and in 1949 the amount retired was \$501,195.

The following condensed financial statement shows the financial condition of the M.F.A. Milling Company on June 30, 1948 and 1949:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$2,103,246	\$2,429,632
Fixed assets.....	679,353	761,490
Other assets.....	115,369	131,537
Total assets.....	<u>\$2,897,968</u>	<u>\$3,322,659</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$50,613	\$53,041
Other liabilities.....	6,786	318,845
Net worth.....	2,840,569	2,950,773
Total liabilities and net worth.....	<u>\$2,897,968</u>	<u>\$3,322,659</u>



On June 30, 1949, the operating facilities of the M.F.A. Milling Company consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Mill buildings, machinery, and equipment.....	2	\$1,053,521	\$654,849
Trucks and semi-trailors.....	16	25,864	12,742
Total value.....		<u>\$1,079,385</u>	<u>\$667,591</u>

The M.F.A. Milling Company, in June 1949, had 259 employees, of whom 147 were at Springfield and 112 at Aurora. Twenty-nine of the total 259 employees were engaged in general administration, 8 in sales and services, and 222 in manufacturing and processing.

#### PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Pa. was organized in 1934. At the close of 1949, it was serving 31 member associations with 62,000 patrons of whom 90 percent were farmers. Its service area comprises 53 counties in the State of Pennsylvania.

Supplies were distributed at wholesale for the years ending December 31, 1948 and 1949 as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$7,024,609	\$6,815,134
Fertilizer.....	1,438,031	1,747,235
Seed.....	987,132	987,208
Gas, oil, and grease.....	5,154,989	5,332,855
Tires, tubes, and other accessories.....	275,222	195,672
Farm machinery.....	769,520	751,451
Farm equipment.....	581,144	638,229
Steel products.....	461,931	439,616
Lumber, paint, and other maintenance equipment.....	287,959	311,008
Insecticides.....	298,179	325,743
Electrical equipment and appliances.....	331,429	201,384
Twine.....	128,878	106,806
Miscellaneous.....	104,198	151,838
Total value of supplies distributed at wholesale.....	<u>\$17,843,221</u>	<u>\$18,004,179</u>

The net savings on supply distribution amounted to \$279,809 in 1948 and \$634,525 in 1949. The savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock .....	\$89,822	\$121,929
Patronage refunds in capital stock.....	88,908	182,020
Retained in reserves.....	<u>101,079</u>	<u>330,576</u>
Total net savings.....	<u>\$279,809</u>	<u>\$634,525</u>

The financial condition of the Pennsylvania Farm Bureau Cooperative Association on December 31, 1948 and 1949 is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$3,886,976	\$2,512,580
Fixed assets.....	892,402	972,117
Other assets.....	<u>2,421,018</u>	<u>2,697,707</u>
Total assets.....	<u>\$7,200,396</u>	<u>\$6,182,404</u>
Liabilities and net worth:		
Current liabilities.....	\$2,648,295	\$696,603
Other liabilities.....	280,000	220,000
Net worth (capital and reserves).....	<u>4,272,101</u>	<u>5,265,801</u>
Total liabilities and net worth.....	<u>\$7,200,396</u>	<u>\$6,182,404</u>

On December 31, 1949, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Depre- ciated value</u>
Feed mill.....	1	\$176,632
Seed cleaning plant.....	1	107,520
Wholesale farm supply warehouse.....	2	225,007
Office building.....	1	189,103
Transport trucks.....	17	43,935
Dust plant.....	1	8,292
Hatchery.....	1	61,117
Poultry breeding farm.....	1	<u>50,867</u>
Total value.....		<u>\$862,473</u>

In addition, the association held investments of \$2,535,684 in facilities jointly owned with other cooperatives.

At the close of 1949, the association had 259 employees. Of these, 132 were engaged in general administration, 69 in manufacturing and processing, and 58 in wholesale distribution.

#### FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1949, this organization provided supply service for some 100,000 patrons through 150 member associations,<sup>18</sup> 40 nonmember associations, and 200 private dealer outlets. Farmers represented approximately 80 percent of the patrons of these retail outlets.

The value of supplies distributed at wholesale was as follows for the fiscal years ending August 31, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$2,766,395	\$2,817,188
Fertilizer.....	1,379,558	2,195,960
Seed.....	1,055,246	1,192,685
Petroleum products.....	2,683,955	1 <sup>9</sup> 893,338
Tires, tubes, and accessories.....		
Steel products.....	1,550,701	996,637
Lumber, paint, and other maintenance equipment.....	181,915	101,684
Insecticides.....	252,926	405,933
Machinery, electrical equipment and appliances <sup>20</sup> .....	2,526,818	2,453,450
Coal.....	203,034	151,434
Total value of supplies distributed at wholesale.....	<u>\$12,600,548</u>	<u>\$11,208,309</u>

In addition to the wholesale supply operations, supplies were distributed directly to individuals through 13 branch retail outlets. The value of supplies distributed at retail amounted to \$4,346,976 in 1948 and \$4,840,224 in 1949.

<sup>18</sup>Sixteen of the member associations were managed by Farm Bureau Services, Inc., under management contracts.

<sup>19</sup>Beginning January 1, 1949, the distribution of petroleum products was handled through a separate corporation, the Farmers Petroleum Cooperative, Inc., whose volume of business for the 8 months ended August 31, 1949 amounted to \$1,798,552.

<sup>20</sup>Includes binder twine.



While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, it also marketed farm products during the years ending August 31, 1948 and 1949 as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Grain.....	\$1,257,849	\$1,030,295
Beans and potatoes.....	474,062	473,277
Eggs and poultry.....	163,867	131,975
Fruit.....	7,477	10,581
Total value of farm products marketed...	<u>\$1,903,255</u>	<u>\$1,646,128</u>

The total net savings of the organization for the fiscal years 1948 and 1949 were as follows:

<u>Net savings</u>	<u>1948</u>	<u>1949</u>
Wholesale supply business.....	\$182,960	\$169,682
Retail supply business.....	46,646	10,679
Farm marketings.....	13,541	1,962
Total net savings.....	<u>\$243,147</u>	<u>\$182,323</u>

These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$33,531	\$31,614
Patronage refunds in capital stock.....	209,616	147,269
Addition to reserve fund.....	-	3,440
Total net savings.....	<u>\$243,147</u>	<u>\$182,323</u>

The financial condition of Farm Bureau Services, Inc., as of August 31, 1948 and 1949, is shown by the following condensed financial statements:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$2,963,738	\$3,177,377
Fixed assets.....	2,123,422	2,134,719
Other assets <sup>21</sup> .....	651,511	712,007
Total assets.....	<u>\$5,738,671</u>	<u>\$6,024,103</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$1,111,014	\$1,311,239
Fixed indebtedness <sup>22</sup> .....	3,097,863	2,983,060
Net worth (capital and reserves).....	1,529,794	1,729,804
Total liabilities and net worth.....	<u>\$5,738,671</u>	<u>\$6,024,103</u>

<sup>21</sup>Mainly investments in regional cooperatives.

<sup>22</sup>Includes liability on debentures as follows:

	<u>1948</u>	<u>1949</u>
4% - 10 year debentures.....	\$1,083,210	\$1,183,140
3% - 15 year debentures.....	614,870	609,220
	<u>\$1,708,080</u>	<u>\$1,792,360</u>

The value of the principal operating facilities owned on August 31, 1949, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse <sup>23</sup> .....	6	\$410,588	\$381,490
Seed cleaning plant.....	1	56,022	37,244
Retail farm supply branches.....	13	439,385	325,271
General delivery truck and cars.....	47	93,378	39,389
Bulk petroleum plants <sup>24</sup> .....	1	8,062	4,134
Office and other equipment.....		111,508	80,271
Transportation department trucks and trailers, tractor-trailer units...	3	38,403	26,956
Temporary office building.....	2	20,857	12,329
Bulk petroleum plants.....	2	15,392	9,238
Dust mixing plant.....	1	29,635	25,170
Fertilizer manufacturing plant.....	1	1,238,876	1,145,518
Transportation department garage.....	1	48,112	44,898
Buildings under construction.....	2	2,811	2,811
Total value.....		<u>\$2,513,029</u>	<u>\$2,134,719</u>

At the end of its fiscal year on August 31, 1949, Farm Bureau Services, Inc., had 399 employees--61 in general administrative activities, 192 in manufacturing, processing, and wholesale distribution, and 146 in retail and marketing.

#### FRUIT GROWERS SUPPLY COMPANY

Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing association. It serves 182 member citrus fruit packing associations with 14,000 farmer-members who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it is in fact the supply department for California Fruit Growers Exchange members.

The wholesale supply sales of the Fruit Growers Supply Company were distributed during 1948 and 1949 as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Fertilizer.....	\$2,172,868	\$2,340,178
Miscellaneous orchard supplies.....	714,085	1,137,358
Insecticides.....	1,524,129	484,639
Box shook, tissue paper wraps, and other packing supplies.....	17,265,375	\$12,560,582
Total wholesale supply sales.....	<u>\$21,676,457</u>	<u>\$16,522,757</u>

<sup>23</sup>Four of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

<sup>24</sup>Leased to local association managed by Farm Bureau Services, Inc.

The total patronage refunds on these sales amounted to \$2,022,336 in 1948 and \$1,486,750 in 1949. All refunds were distributed in cash.

The financial condition of Fruit Growers Supply Company on December 31, 1948 and 1949, is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$8,206,470	\$8,583,682
Fixed and other assets.....	12,597,247	12,535,869
Total assets.....	<u>\$20,803,717</u>	<u>\$21,119,551</u>
Liabilities and net worth:		
Current liabilities.....	\$6,039,796	\$6,666,715
Other liabilities.....	8,430,837	7,418,541
Net worth (capital and reserves).....	6,333,084	7,034,295
Total liabilities and net worth.....	<u>\$20,803,717</u>	<u>\$21,119,551</u>

Fruit Growers Supply Company owns and operates three lumber and box shook manufacturing plants.

On December 31, 1949, the company had approximately 1,900 employees.

#### PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year, June 30, 1949, it was serving 127 member associations in Oregon, Washington, Idaho, and northwest Wyoming. Patrons numbered 60,000 and 95 percent were farmers. It also served 50 nonmember associations with 15,000 patrons, of whom 60 percent were farmers.

Supplies distributed at wholesale during 1948 and 1949 were as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
	(Jan. 1 to June 30) <sup>25</sup>	
Fertilizer.....	\$337,661	\$906,218
Feed.....	2,024,921	1,948,462
Seed.....		1,680,090
Gas, oil, grease, and fuel oil.....	4,069,331	8,935,629
Tires, tubes, and other accessories.....	182,605	470,646
Farm machinery and parts.....	778,110	860,442
Lumber, paint, steel products, and other maintenance equipment.....	352,782	725,591
Insecticides.....	254,611	432,872
Electrical equipment and appliances.....	143,185	226,461
Coal.....	353	-
Hardware and twine.....	140,954	231,052
Farm appliances and irrigation supplies.....	308,781	419,310
Potatoes.....	-	510,385
Miscellaneous.....	97,367	147,005
Total value of supplies distributed at wholesale <sup>26</sup> .....	<u>\$8,690,661</u>	<u>\$17,494,163</u>

<sup>25</sup>Six months operations. Business year closing has been changed from December 31 to June 30.

<sup>26</sup>Includes a small amount of some retail operations.



No supplies have been distributed direct to individuals through retail outlets since 1947.

Total net savings amounted to \$435,696 in 1948 and \$584,814 in 1949. The distribution of these savings was made in the following manner:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Patronage refunds in certificates of indebtedness.....	\$424,804	\$540,953
Amount retained in reserves.....	<u>10,892</u>	<u>43,861</u>
Total net savings.....	<u>\$435,696</u>	<u>\$584,814</u>

The association reports that \$50,292 in stock or certificates originally issued as patronage refunds were retired in 1948 under its revolving fund plan; in 1949, the amount retired was \$101,090.

The financial condition of the Pacific Supply Cooperative on June 30, 1948 and 1949 is shown in the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$4,117,564	\$4,314,501
Facilities and investments.....	1,259,883	1,187,052
Other assets.....	<u>453,038</u>	<u>574,641</u>
Total assets.....	<u>\$5,830,485</u>	<u>\$6,076,194</u>
Liabilities and net worth:		
Current liabilities.....	\$1,776,577	\$1,439,856
Other liabilities.....	186,598	112,539
Net worth (capital and reserves).....	<u>3,867,310</u>	<u>4,523,799</u>
Total liabilities and net worth.....	<u>\$5,830,485</u>	<u>\$6,076,194</u>

On June 30, 1949, the Pacific Supply Cooperative owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses.....	4	\$156,455	\$112,331
Seed and feed plants.....	9	452,770	313,546
Chemical plants.....	2	208,365	166,537
Transport trucks.....	16	242,900	132,581
Office.....	1	<u>76,795</u>	<u>48,394</u>
Total value.....		<u>\$1,137,285</u>	<u>\$773,389</u>

In addition, the association held investment of \$326,189 in facilities owned jointly with other cooperative associations.

On June 30, 1949, the Pacific Supply Cooperative had 223 employees--78 in general administration and 145 in wholesale distribution.

### CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1949, it was serving 450 associations with approximately 140,000 patrons, 98 percent of whom were farmers. The association operates throughout Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

Supplies distributed at wholesale by the association during its last two fiscal years were as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Lights fuels.....	\$6,891,004	\$5,888,271
Lubricating oils.....	242,117	210,601
Anti-freeze.....	38,534	25,223
Grease.....	35,176	40,131
Crude oil.....	620,697	-
Tires and tubes.....	477,016	392,371
Batteries.....	61,064	57,048
Auto accessories.....	78,701	55,390
Appliances.....	308,310	196,904
Hardware and building supplies.....	323,270	273,274
Farm machinery.....	607,827	744,031
Feed.....	60,000	200,000
Seed.....	220,802	324,735
Insecticides.....	-	145,360
Fertilizer.....	421,729	1,793,004
Groceries.....	26,883	19,405
Grain.....	527,803	312,085
Total value of supplies distributed at wholesale.....	<u>\$10,940,933</u>	<u>\$10,677,833</u>

The total net savings on these operations amounted to \$651,691 for 1948 and in 1949 a loss of \$349,320 was reported. These were distributed in the following manner:

<u>Distribution</u>	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$107,874	\$15,904
Cash patronage dividends.....	8,768	-
Retained in reserves.....	25,108	-421,645
Patronage refunds paid in capital stock and equities.....	473,939	56,421
Total net savings.....	<u>\$615,689</u>	<u>-\$349,320</u>

The financial condition of Consumers Cooperatives Associated as of October 31, 1948 and 1949 is shown by the following condensed financial statement:

	<u>1948</u>	<u>1949</u>
Assets:		
Current assets.....	\$2,681,155	\$2,484,007
Fixed assets.....	2,166,701	1,625,203
Other assets.....	<u>289,980</u>	<u>619,764</u>
Total assets.....	<u>\$5,137,836</u>	<u>\$4,728,974</u>
Liabilities and net worth:		
Current liabilities.....	\$2,006,110	\$2,086,344
Other liabilities.....	775,954	464,987
Net worth.....	<u>2,355,772</u>	<u>2,177,643</u>
Total liabilities and net worth.....	<u>\$5,137,836</u>	<u>\$4,728,974</u>

Consumers Cooperatives Associated has five branch warehouses located at Abilene, Dallas, Edroy, and Levelland, Tex., and at Little Rock, Ark. A modern grain-drying plant and a feed mill are operated in connection with the Edroy warehouse.

The subsidiaries of Consumers Cooperatives Associated are the Consumers Cooperative Refinery Association at Levelland, Tex., and the Cooperative Producing Association of New Mexico, engaged in the production of crude oil.

On October 31, 1949, the association and subsidiaries had 247 employees,<sup>27</sup> of whom 42 were engaged in general administration and 205 in manufacturing, processing, and wholesale distribution.

#### CENTRAL CO-OPERATIVE WHOLESALE

The Central Co-operative Wholesale--C.C.W.--with headquarters at Superior, Wis., was organized on September 15, 1917. At the close of its operating year on December 31, 1949, it was serving 206 member and 88 nonmember cooperatives in northern parts of Michigan, Wisconsin, and Minnesota, and in eastern North Dakota. These cooperative outlets served approximately 65,000 patrons, 80 percent of whom were farmers.

<sup>27</sup>This figure does not include employees of the refinery and the oil producing association, both subsidiary organizations; and common labor at the Red Star Fertilizer Plant.



The value of supplies distributed at wholesale during 1948 and 1949 was as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$2,726,724	\$2,247,655
Seed.....	96,975	110,260
Gas, oil, and grease.....	1,505,782	1,405,642
Tires, tubes, and other accessories.....	279,186	218,917
Steel products.....	186,165	137,892
Lumber, paints, and other maintenance equipment.....	483,331	430,998
Insecticides.....	16,534	20,239
Electrical equipment and appliances.....	518,945	367,125
Farm machinery and equipment.....	1,032,517	621,516
Hardware.....	177,905	226,741
Twine.....	23,741	23,823
Coal.....	167,939	133,822
Groceries.....	2,670,803	2,849,241
Fresh fruits and vegetables.....	366,280	338,936
Bakery products.....	322,295	340,960
Coffee.....	322,088	366,129
Clothing.....	599,483	535,491
Store fixtures and equipment <sup>28</sup> and advertising service.....	102,822	( 29 )
Total value of supplies distributed at wholesale.....	<u>\$11,599,515</u>	<u>\$10,375,387</u>

The total net savings, before income tax, on these operations amounted to \$319,702 in 1948 and \$36,653 in 1949. These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1948</u>	<u>1949</u>
Unallocated surplus.....	\$1,788	-
Patronage refunds paid in capital stock shares.....	211,182	-
Interest on capital stock.....	68,332	30,000
Provision for Federal income tax.....	38,400	6,653
Total net savings before income tax....	<u>\$319,702</u>	<u>\$36,653</u>

<sup>28</sup>This is a department separate from the grocery department. It sells meat counters, cash registers, and other fixtures and equipment to retail stores.

<sup>29</sup>Store fixtures and advertising services are basically non-profit departments, with little regard for prevailing market prices for similar services, and are included in "Non-operating" results for 1949.

The financial condition of the C.C.W. on December 31, 1948 and 1949 is shown in the following statement:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$2,090,825	\$2,075,624
Fixed assets.....	573,930	539,828
Other assets.....	<u>1,032,820</u>	<u>1,140,782</u>
Total assets.....	<u>\$3,697,575</u>	<u>\$3,756,234</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$587,129	\$902,049
Long-term notes.....	532,199	363,320
Net worth (capital and reserves).....	<u>2,578,247</u>	<u>2,490,865</u>
Total liabilities and net worth.....	<u>\$3,697,575</u>	<u>\$3,756,234</u>

On December 31, 1949, the principal operating facilities owned and operated by the C.C.W. consisted of the following:

<u>Type of facility</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
<b><u>Equipment</u></b>		
Warehouse.....	\$60,380	\$41,839
Office.....	43,668	28,170
Building.....	28,276	25,199
Bakery.....	33,050	18,448
Coffee.....	12,396	1,033
Feed mill.....	54,499	22,725
Garage and delivery.....	<u>144,827</u>	<u>58,612</u>
	<u>\$377,096</u>	<u>\$196,026</u>
<b><u>Buildings</u></b>		
Warehouses and offices.....	284,490	223,656
Bakery.....	32,092	4,283
Feed mill.....	94,640	62,031
Oil plant.....	6,510	4,009
Publishing.....	23,505	12,933
Other.....	<u>16,840</u>	<u>3,610</u>
	<u>\$458,077</u>	<u>\$310,522</u>
<b><u>Land</u></b> .....	<u>\$33,280</u>	<u>\$33,280</u>
Total.....	<u>\$868,453</u>	<u>\$539,828</u>

At the close of 1949 the C.C.W. had 229 employees--49 in general administration, 49 in manufacturing and processing, 123 in wholesale distribution, and 8 in educational work.

## FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Nebr., was organized in 1914. At the end of its 1949 operating year, December 31, 1949, it was serving 325 member associations with 60,000 patrons, of whom 98 percent were farmers. Through 15 private dealers it reached an additional 3,000 patrons, of whom 90 percent were farmers. The Exchange operates in the State of Nebraska and in nearby sections of Wyoming and Iowa.

Supplies distributed at wholesale during 1948 and 1949 were as follows:

<u>Commodity</u>	<u>1948</u>	<u><sup>30</sup>1949</u>
Feed.....	\$187,028	\$135,422
Seed.....	63,580	75,011
Gas, oil, and grease.....	3,489,140	2,625,396
Tires, tubes, and other accessories.....	167,274	116,712
Farm equipment, hardware, and fencing.....	1,551,807	1,168,101
Paint.....	63,717	34,268
Twine.....	51,187	63,794
Coal.....	86,234	66,371
Groceries.....	293,082	226,611
Clothing.....	64,140	52,020
Produce.....	35,477	43,058
Roofing.....	69,377	28,873
Miscellaneous.....	4,499	3,253
Total value of supplies distributed at wholesale.....	<u>\$6,126,542</u>	<u>\$4,638,890</u>

The Farmers Union State Exchange also had retail sales of \$1,810,121 in 1948 and \$1,346,549 in 1949.

The total net savings from all operations amounted to \$638,919 in 1948 \$341,815 in 1949. The distribution of these savings was as follows:

	<u>1948</u>	<u>1949</u>
Cash dividends on stock.....	\$19,006	\$20,691
Cash patronage refunds.....	35,235	20,669
Patronage refunds in capital stock.....	55,300	39,100
Patronage refunds allocated.....	465,486	227,174
Amount credited to surplus reserve fund.....	63,892	34,181
Total net savings.....	<u>\$638,919</u>	<u>\$341,815</u>

<sup>30</sup>Nine months. Business year has been changed from calendar year to fiscal year ending Sept. 30.



The financial condition of the Farmers Union State Exchange as of December 31, 1948 and 1949 is shown in the following condensed statement:

	<u>1948</u>	<u>1949</u>
<b>Assets:</b>		
Current assets.....	\$1,230,667	\$1,400,789
Fixed assets.....	283,227	374,574
Other assets.....	<u>1,059,609</u>	<u>1,237,816</u>
Total assets.....	<u>\$2,573,503</u>	<u>\$3,013,179</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$715,987	\$779,368
Other liabilities.....	292,487	320,217
Net worth (capital and reserves).....	<u>1,565,029</u>	<u>1,913,594</u>
Total liabilities and net worth.....	<u>\$2,573,503</u>	<u>\$3,013,179</u>

The facilities owned and operated by the Exchange on December 31, 1949, consisted of a feed-mixing plant, a seed-cleaning plant, two wholesale farm supply warehouses, seven retail farm supply stores, four bulk petroleum plants, an office building, a lubricating oil compounding plant, six transport trucks, three general delivery trucks, and a locker plant. The State Exchange is a member of the National Cooperative Refinery Association, National Farm Machinery Cooperative, Inc., and National Cooperative, Inc.

At the close of 1949, the Exchange had 304 employees--35 in general administration, 182 in manufacturing, processing, and wholesale distribution, and 87 in retail and marketing.

## PART II

### SUMMARY INFORMATION FOR 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1948 AND 1949

In this section the information for the individual associations is summarized to show the characteristics of operations. Attention is given to: age of associations, area of service, type of retail outlets, number of patrons served, number of employees, dollar volume of business, types of supplies handled, distribution of savings, and financial condition.

## YEARS OF ORGANIZATION

The 18 regional cooperatives described in this report were organized in the following years:

<u>Year</u>	<u>Associations organized</u> (Number)
1907.....	1
1914.....	1
1917.....	1
1918.....	1
1920.....	1
1923.....	2
1926.....	1
1927.....	2
1929.....	2
1930.....	1
1931.....	1
1933.....	2
1934.....	2

Only 5 of these associations were in existence by 1920. By 1930 there were 13. The remaining 5 were established early in the 1930's. In 1949, their average age was 24 years.

## AREA OF SERVICE

The 18 regional supply associations operate throughout the United States except for a large part of the South. Several regional purchasing associations serve the South and Southwest, but with the exception of Southern States Cooperative, Inc., which operates in Virginia as well as several nearby States, only two--the Farmers Cooperative Exchange, Raleigh, N. C., and the Consumers Cooperatives Associated, Amarillo, Tex.,--each did a wholesale supply business in 1949 in excess of \$5 million.<sup>31</sup> There are a number of other regional purchasing associations operating in the areas served by the 18 large regional purchasing associations included in this report.

## TYPE OF RETAIL OUTLET

The 18 major regional farm supply purchasing cooperatives distributed supplies through 8,173 retail outlets in 1948 and 8,717 in 1949. These retail outlets were classified as follows:

<u>Type of retail outlet</u>	<u>1948</u>	<u>1949</u>
Local cooperative member associations.....	4,375	4,493
Local cooperative nonmember associations.....	983	1,432
Affiliated cooperative service associations.....	709	732
Private service agencies.....	1,376	1,285
Farmer-representatives.....	730	775
Total.....	<u>8,173</u>	<u>8,717</u>

<sup>31</sup>The two next largest regional farm supply purchasing cooperatives in this area are the Mississippi Federated Cooperatives, Jackson, Miss., and the Southwest Cooperative Wholesale, Phoenix, Ariz. Both of these regionals also perform cooperative marketing service.

The local associations included in this classification are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "nonmember associations" are served by the regional cooperatives. "Affiliated cooperative service associations" are associations or branch outlets that are under direct management of regionals. "Private service agencies" are private concerns that perform a distribution service for the regional cooperatives in accordance with mutually agreeable policies. These plans include provisions for passing on to farmers the patronage refunds distributed by the regional. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regionals. The association reports in Part I give more detailed information on the character of local service outlets.

#### NUMBER OF PATRONS SERVED

The 18 regional associations, through local outlets at the end of their 1949 fiscal year, were serving an estimated 2,476,139 farmer-patrons and 193,296 nonfarmer patrons, or a total of 2,669,435 patrons.<sup>32</sup> Thus 90 percent of the patrons were farmers, and 7 percent were nonfarmers.

#### NUMBER OF EMPLOYEES

The 18 regional associations included in this report at the end of their 1949 fiscal years employed 17,114 persons. Of these, an estimated 18 percent were engaged in general administration; 60 percent in manufacturing, processing, and wholesale distribution; and 22 percent in retail supply distribution and in agricultural marketing work.

#### DOLLAR VOLUME OF BUSINESS

The combined business of the 18 regional cooperatives, including the value of supplies distributed at wholesale and at retail plus the value of farm products marketed, amounted to \$846,948 for the fiscal year ending in 1949. The comparable volume for the similar period ending in 1948 was \$857,234,062.

Seventeen associations each handled a volume of \$10 million or more, and of these 10 each handled \$27 million or more. The combined purchasing and marketing operations of the 10 associations amounted to \$732 million. The importance of the Cooperative Grange League Federation, Inc., in volume handled is shown in table 1.

#### TYPES OF SUPPLIES HANDLED

The relative importance of the various supplies handled at wholesale<sup>33</sup> by each of the 18 regional associations during the fiscal year ending in 1949 is shown in tables 2 and 3. Feed predominated in the dollar volume of 7 associations whereas petroleum products accounted for the largest part of the volume of 9 other associations.

<sup>32</sup>On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.

<sup>33</sup>Eastern States distributes supplies direct to individual patrons-performing both wholesale and retail functions.



Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 18 major farm supply purchasing cooperatives, fiscal years ending in 1948 and 1949

ASSOCIATION	YEAR ENDED	SUPPLIES DISTRIBUTED AT WHOLESALE		SUPPLIES DISTRIBUTED AT RETAIL		FARM PRODUCTS MARKETING		TOTAL
		<sup>a</sup> 1948	1949	<sup>a</sup> 1948	1949	<sup>a</sup> 1948	1949	
Cooperative Grange League Federation	June 30	\$135,117,639	\$124,485,492	\$105,598,430	\$102,600,982	\$20,555,628	\$20,411,595	\$247,498,069
Southern States Coop., Inc.....	June 30	71,792,206	75,856,150	28,820,099	32,315,468	10,954,306	12,261,060	120,532,678
Eastern States Farmers Ex- b change, Inc. ....	Dec. 31	80,430,938	78,325,434	-	-	-	-	78,325,434
Consumers Cooperative Association.	Aug. 31	53,888,550	55,118,417	-	-	-	-	55,118,417
The Farm Bureau Coop. Assn., Inc. (Ohio).....	Dec. 31	34,827,178	33,567,859	-	-	19,794,616	21,180,120	54,747,979
Illinois Farm Supply Co.....	Aug. 31	42,919,238	44,985,284	-	-	-	-	44,985,284
Indiana Farm Bureau Coop. Assn., Inc.	Dec. 31	37,522,239	35,590,000	-	-	1,604,098	3,328,207	38,916,207
Farmers Union Central Exchange Inc.	Dec. 31	36,410,143	34,989,609	-	-	-	-	34,989,609
Farmers Cooperative Exchange, Inc.....	June 30	16,213,197	14,000,278	12,149,830	13,382,449	2,418,031	1,984,696	29,387,423
Midland Coop. Whse.	Dec. 31	29,549,972	27,114,613	-	-	-	-	27,114,613
M.F.A. Milling Co., Pennsylvania Farm Bu. Coop. Assn....	June 30	19,123,395	18,126,816	-	-	-	-	18,126,816
Farm Bureau Services, Inc.....	Dec. 31	17,843,221	18,004,179	-	-	-	-	18,004,179
Pacific Supp. Coop. Fruit Growers Supply Co.....	Aug. 31	12,600,548	11,208,309	4,346,976	4,840,224	1,903,255	1,646,128	17,694,661
Consumers Coop. Associated.....	June 30	56,690,661	17,494,163	-	-	-	-	17,494,163
Central Coop. Whse.	Dec. 31	21,676,457	16,522,757	-	-	-	-	16,522,757
Farmers Union State Exchange...	Dec. 31	10,940,933	10,677,833	-	-	-	-	10,677,833
	Dec. 31	11,599,515	10,375,367	-	-	-	-	10,375,367
	Dec. 31	6,126,542	<sup>d</sup> 4,638,890	1,810,121	1,346,549	-	-	<sup>d</sup> 5,985,439
Total.....		\$647,278,572	\$631,181,470	\$152,725,556	\$154,485,672	\$57,229,934	\$60,809,806	\$846,476,948

<sup>a</sup> Revised.

<sup>b</sup> Eastern States distributes supplies direct to individual patrons-performing both wholesale and retail functions.

<sup>c</sup> Business for 6 months, Jan.-June 1948. Change in operating year from Jan.-Dec. to July-June.

<sup>d</sup> Business for 9 months, Jan.-Sept., 1949. Change in operating year from Jan.-Dec. to Oct.-Sept.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 18 major regional farm supply purchasing cooperatives, fiscal year ending in 1949

ASSOCIATION	FEED	PETRO- LEUM PRO- DUCTS	FERTI- LIZER	FARM MACHIN- ERY AND FARM EQUIP- MENT	SEED	LUMBER, PAINT, HARD- WARE, MAINTE- NANCE MATE- RIAL	STEEL PRO- DUCTS	TIRES, TUBES, AUTO- ACCESS- ORIES	INSEC- TICIDES AND SPRAYS	ELEC- TRICAL EQUIP- MENT AND APPLI- ANCES	COAL	TWINE	MISCEL- LANEOUS	TOTAL
<i>Thousands of dollars</i>														
Coop. Grange League Fed- eration Exchange, Inc.	84,514	10,008	11,744	3,709	4,726	1,882	2,379	1,305	1,619	-	-	-	457	1,758
Eastern States Farmers Exchange, Inc. <sup>a</sup>	67,072	-	4,930	-	3,941	1,441	-	-	942	-	-	-	-	-
Southern States Coop. Inc. <sup>b</sup>	47,296	4,001	11,713	1,449	4,842	831	2,978	704	1,059	1,011	-	-	-	72
Consumers Coop. Assn. <sup>c</sup>	5,679	37,082	1,638	2,538	9	2,275	488	1,942	504	594	10	245	1,051	55,118
Illinois Farm Supply Co.	8,419	25,327	4,608	988	-	656	753	759	583	(d)	-	39	2,855	44,985
Indiana Farm Bureau Coop. Assn., Inc. <sup>e</sup>	6,954	12,140	4,711	3,140	1,483	2,277	1,862	194	184	675	766	52	1,152	35,590
Farm Bureau Coop. Assn., Inc. (Ohio) <sup>f</sup>	10,333	10,388	4,465	2,478	1,879	1,018	1,091	180	378	303	230	-	832	33,575
Farmers Union Central Exchange, Inc. <sup>g</sup>	1,811	24,531	782	2,880	481	1,428	-	1,980	9310	480	8	189	103	34,990
Midland Coop. Wholesale	2,654	16,624	1,504	1,550	1,151	532	358	985	44	696	249	-	4	27,115
M.F.A. Milling Company.	17,071	-	-	-	663	30	306	-	-	-	-	57	-	18,127
Pacific Supply Coop. <sup>h</sup>	1,949	8,936	906	1,279	1,680	957	-	471	433	228	-	-	657	17,494
Pennsylvania Farm Bureau Coop. Assn. <sup>i</sup>	6,815	5,333	1,747	1,390	987	311	439	196	328	201	-	107	152	18,004
Fruit Growers Supply Company. <sup>j</sup>	-	-	2,340	-	-	-	12,580	-	485	-	-	-	1,138	16,523
Farmers Coop. Exchange, Inc. <sup>k</sup>	5,005	-	2,052	886	2,061	2,643	-	52	236	414	-	-	601	14,000
Farm Bureau Services, Inc. <sup>l</sup>	2,817	1,893	2,196	2,453	1,193	102	997	-	406	-	151	-	-	11,208
Consumers Coop. Associated. <sup>m</sup>	512	6,139	1,793	744	325	273	-	505	145	197	-	-	25	10,678
Central Coop. Wholesale	2,243	1,408	-	621	110	658	138	219	20	387	134	24	535	10,375
Farmers Union State Exchange. <sup>n</sup>	136	2,625	-	1,168	75	63	-	117	-	-	66	64	98	4,639
Total. <sup>o</sup>	271,335	165,431	57,105	27,273	25,586	17,378	13,186	11,789	9,619	7,674	1,614	1,234	11,033	631,428

<sup>a</sup>Includes \$239,928 intercompany transactions.

<sup>b</sup>Eastern States distributes supplies direct to individual patrons-performing both wholesale and retail functions.

<sup>c</sup>Includes some miscellaneous supplies.

<sup>d</sup>Less than \$1,000.

<sup>e</sup>Includes gross freight income.

<sup>f</sup>Includes \$8,622 intercompany transactions.

<sup>g</sup>Includes agricultural chemicals

<sup>h</sup>Includes some flour.

<sup>i</sup>Beginning Jan. 1, 1949, oil was distributed through a separate corporation. Figure shown includes tires, tubes, and auto accessories.

<sup>j</sup>Includes electrical equipment and appliances.

<sup>k</sup>Operating year changed from calendar year to fiscal year ending Sept. 30.

<sup>l</sup>Includes some hardware.

Table 3. - Percentage of total dollar volume represented by wholesale supply items distributed by 18 major regional farm supply purchasing cooperatives, fiscal year ending in 1949

ASSOCIATION	FEED	PETRO- LEUM PRO- DUCTS	FERTI- LIZER	FARM MACHIN- ERY AND FARM EQUIP- MENT	SEED	LUMBER, PAINT, HARD- WARE, MAINTE- NANCE MATE- RIAL	CRATES, BASKETS, SHOOKS, PACKAG- ING MATE- RIAL	STEEL PRO- DUCTS	TIRES, TUBES, AUTO ACCESS- ORIES	INSEC- TI- CIDES AND SPRAYS	GRO- CER- IES	ELEC- TRICAL EQUIP- MENT AND APPLI- ANCES	COAL	TWINE	MISCEL- LANEOUS	TOTAL
Coop. Grange League Federation Exchange, Inc.....	67.7	8.0	9.4	3.0	3.8	1.5	.5	1.9	1.1	1.3	-	-	-	.4	1.4	<sup>a</sup> 100.0
Eastern States Farmers Exchange, Inc. <sup>b</sup> .....	85.7	-	6.3	-	5.0	<sup>c</sup> 1.8	-	-	-	1.2	-	-	-	-	-	100.0
Southern States Coop. Inc.....	62.3	5.3	15.4	1.9	6.4	1.1	-	3.9	.9	1.4	-	1.3	-	-	.1	100.0
Consumers Coop. Association...	10.3	67.3	3.0	4.6	(d)	4.1	-	.9	3.5	.9	1.9	1.1	(d)	.5	1.9	100.0
Illinois Farm Supply Company..	18.7	56.3	10.2	2.2	-	1.5	-	1.7	1.7	1.3	-	-	-	.1	6.3	100.0
Indiana Farm Bureau Coop. Association, Inc.....	19.5	34.1	13.2	8.8	4.2	6.4	-	5.2	.6	.5	-	1.9	2.2	.2	3.2	100.0
Farm Bureau Cooperative Association, Inc. (Ohio)....	30.8	30.9	13.3	7.4	5.6	3.0	-	3.3	.5	1.1	-	.9	.7	-	2.5	<sup>f</sup> 100.0
Farmers Union Central Exchange, Inc.....	5.2	70.1	2.2	8.2	1.3	4.1	-	-	5.7	<sup>g</sup> .9	.2	1.3	(d)	.5	.3	100.0
Midland Cooperative Wholesale.	9.8	61.3	5.6	5.7	4.2	2.0	-	1.3	3.6	.2	2.8	2.6	.9	-	(d)	100.0
M.F.A. Milling Company.....	94.2	-	-	-	3.6	.2	-	1.7	-	-	-	-	-	.3	-	100.0
Pacific Supply Cooperative.....	11.1	51.1	5.2	7.3	9.6	5.5	-	-	2.7	2.5	-	1.3	-	-	3.7	100.0
Pennsylvania Farm Bureau Cooperative Association.....	37.9	29.6	9.7	7.7	5.5	1.7	-	2.4	1.1	1.8	-	1.1	-	.6	.9	100.0
Fruit Growers Supply Company..	-	-	14.2	-	-	-	78.0	-	-	2.9	-	-	-	-	6.9	100.0
Farmers Coop. Exchange, Inc...	36.1	-	14.7	6.3	14.7	18.9	-	-	.4	1.7	-	2.9	-	-	4.3	100.0
Farm Bureau Services, Inc.....	25.1	8.0	19.6	21.9	10.7	.9	-	8.9	-	3.6	-	-	1.3	-	-	100.0
Consumers Coop. Associated....	4.8	57.5	16.8	7.0	3.0	2.6	-	-	4.7	1.4	.2	1.8	-	-	.2	100.0
Central Cooperative Wholesale.	21.7	13.6	-	6.0	1.1	6.3	-	1.3	2.1	.2	37.5	3.5	1.3	.2	5.2	100.0
Farmers Union State Exchange.	2.9	56.6	-	25.2	1.6	1.4	-	-	2.5	-	4.9	-	1.4	1.4	2.1	100.0
Total.....	43.0	26.2	9.0	4.3	4.1	2.8	2.1	1.9	1.5	1.3	.9	.8	.2	.2	1.7	100.0

<sup>a</sup>Includes small amount intercompany transactions.

<sup>b</sup>Eastern States distributes supplies direct to individual patrons-performing both wholesale and retail functions.

<sup>c</sup>Includes some miscellaneous supplies.

<sup>d</sup>Less than 1/10 of 1 percent.

<sup>e</sup>Includes gross freight income.

<sup>f</sup>Includes small amount intercompany transactions.

<sup>g</sup>Includes agricultural chemicals.

<sup>h</sup>Includes some flour.

<sup>i</sup>Beginning Jan. 1, 1949, oil was distributed through a separate corporation. Figure shown includes tires, tubes, and auto accessories.

<sup>j</sup>Includes electrical equipment and appliances.

<sup>k</sup>Operating year changed from calendar year to fiscal year ending Sept. 30.

<sup>l</sup>Includes some hardware.



In terms of dollar volume, groceries were the most important commodity distributed by the Central Co-operative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company.

Data in table 4 show the relative importance of the total value of the various supplies distributed at wholesale by the 18 associations during the fiscal years ending in 1948 and 1949. The total dollar volume distributed in 1949 showed a decrease of 2.5 percent over that in 1948.

Table 4. - Dollar volume of supplies distributed at wholesale by 18 major regional farm supply purchasing cooperatives for fiscal years ending in 1948 and 1949

COMMODITY	<sup>a</sup> 1948		1949		PERCENTAGE INCREASE OR DECREASE
	VOLUME	PERCENTAGE OF TOTAL	VOLUME	PERCENTAGE OF TOTAL	
	<i>1,000 dollars</i>	<i>Percent</i>	<i>1,000 dollars</i>	<i>Percent</i>	<i>Percent</i>
Feed.....	289,842	44.8	271,335	43.0	-6.4
Petroleum products.....	157,059	24.2	165,431	26.2	+5.3
Fertilizer.....	46,684	7.2	57,105	9.0	+22.3
Farm machinery and farm equipment.....	31,192	4.8	27,273	4.3	-12.6
Seed.....	21,974	3.4	25,586	4.1	+11.6
Lumber, paint, hardware and maintenance material.	16,631	2.6	17,378	2.8	+4.5
Crates, baskets, shooks, and packaging material...	18,046	2.8	13,186	2.1	-26.9
Steel products.....	15,182	2.3	11,789	1.9	-22.4
Tires, tubes, and auto accessories.....	11,523	1.8	9,619	1.5	-16.5
Insecticides and sprays....	7,633	1.2	7,674	1.2	+5
Groceries.....	6,591	1.0	6,027	1.0	-8.6
Electrical equipment and appliances.....	6,436	1.0	5,144	.8	-20.1
Coal.....	2,712	.4	1,614	.2	-40.5
Twine.....	1,158	.2	1,234	.2	+6.6
Miscellaneous.....	14,779	2.3	11,033	1.7	-25.4
Total.....	<sup>b</sup> 647,422	100.0	<sup>c</sup> 631,428	100.0	-2.5

<sup>a</sup> Revised.

<sup>b</sup> Includes \$164,524 intercompany transactions.

<sup>c</sup> Includes \$248,548 intercompany transactions.

Feed, petroleum products, and fertilizer made up 78 percent of the total dollar volume of supplies distributed at wholesale in 1949. The value of feed distributed during 1949 was 6 percent less than in 1948. Petroleum products increased 5.3 percent in dollar volume and fertilizer increased 22.3 percent. More than half of the 14 commodities listed in the table showed a decrease in dollar volume.

#### DISTRIBUTION OF SAVINGS

The amount and distribution of the combined net savings of the 18 associations for the fiscal years ending in 1948 and 1949 are shown in table 5. The total savings decreased from \$37,601,911 in 1948 to \$19,644,402 in 1949 or 48 percent. Savings returned to patrons as cash patronage refunds decreased 48 percent. Savings returned as patronage refunds in the form of capital stock, certificates of equity, or other equity holdings decreased 58 percent. Cash dividends applied on stock increased 6 percent, and the amount of savings retained in reserves decreased 47 percent.

Table 5. - Distribution of combined net savings of 18 major regional farm supply purchasing cooperatives for fiscal years ending in 1948 and 1949

DISTRIBUTION OF NET SAVINGS	<sup>a</sup> 1948	1949	PERCENTAGE INCREASE OR DECREASE
Cash patronage refunds.....	\$12,527,189	\$6,518,938	-48.0
Deferred patronage refunds <sup>b</sup> .....	15,589,886	6,497,514	-58.3
Cash dividends on stock.....	3,016,339	3,200,091	6.1
Retained in reserves.....	6,468,497	3,427,859	-47.0
Total net savings.....	\$37,601,911	\$19,644,402	-47.8

<sup>a</sup>Revised.

<sup>b</sup>Evidenced by capital stock, certificates of equity, and other equity holdings.

During 1949, \$1,666,111 worth of stock and certificates, originally issued as patronage refunds was retired under the revolving fund plan by these regionals.

#### FINANCIAL CONDITION

The financial condition of the 18 supply associations at the close of their fiscal years ending in 1948 and 1949 is summarized in table 6.

Table 6. - Consolidated financial statement of 18 major regional farm supply purchasing cooperatives at the close of their fiscal years ending in 1948 and 1949

ITEM	1948		1949	
	AMOUNT	PERCENTAGE OF TOTAL	AMOUNT	PERCENTAGE OF TOTAL
<b>Assets:</b>				
Current assets.....	\$137,422,007	49.4	\$140,578,840	47.1
Fixed assets.....	87,476,064	31.4	99,021,962	33.1
Other assets.....	53,518,909	19.2	59,281,609	19.8
<b>Total assets.....</b>	<b>\$278,416,980</b>	<b>100.0</b>	<b>\$298,882,411</b>	<b>100.0</b>
<b>Liabilities and members' equities:</b>				
Current liabilities...	\$64,146,934	23.0	\$66,996,209	22.4
Other liabilities.....	53,556,575	19.3	54,903,068	18.4
Members' equities (capital and reserves)...	160,713,471	57.7	176,983,134	59.2
<b>Liabilities and members' equities</b>	<b>\$278,416,980</b>	<b>100.0</b>	<b>\$298,882,411</b>	<b>100.0</b>

\*Revised.

The combined total assets increased from \$278,416,980 in 1948 to \$298,882,411 in 1949, or 7 percent; members' equities increased from \$160,713,471 to \$176,983,134, or 11 percent. At the end of the 1949 fiscal year, members' equities equaled 59 percent of the total assets as compared with 58 percent for the preceding period. The 18 associations averaged \$2.20 in current assets for each \$1 in current liabilities at end of their 1949 fiscal year. The current ratio in 1948 was \$2.14 to \$1.



## APPENDIX

VALUE OF SUPPLIES DISTRIBUTED BY FOUR MAJOR REGIONAL  
MARKETING COOPERATIVES FOR FISCAL YEARS  
ENDING IN 1948 AND 1949

Four major regional marketing cooperatives which distribute large dollar volumes of farm supplies are the Poultry Producers of Central California, the Washington Co-operative Farmers Association, the Utah Poultry and Farmers Cooperative, and the Land O'Lakes Creameries, Inc. The first three of these associations are centralized organizations that distribute direct to farmers through local branches. Land O'Lakes Creameries, Inc., is of the federated type and distributes farm supplies at wholesale to local member associations.

## POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The Poultry Producers of Central California with headquarters in San Francisco distributed feed and other farm supplies as follows for the fiscal years ending December 31, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$24,484,969	\$24,278,066
Gasoline and other petroleum products.....	1,368,591	1,546,147
Other supplies.....	<u>1,124,031</u>	<u>1,384,277</u>
Total value.....	<u>\$26,977,591</u>	<u>\$27,208,490</u>

## WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, Seattle, Wash., distributed supplies in the following dollar volume for the fiscal years ending December 31, 1948 and 1949:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$18,040,568	\$18,098,765
Petroleum.....	4,155,130	4,647,187
Fertilizer.....	431,101	488,787
Seeds.....	303,132	353,654
Other supplies.....	<u>1,060,578</u>	<u>1,066,952</u>
Total value.....	<u>\$23,990,509</u>	<u>\$24,655,345</u>

This association showed net savings to members on supply operations amounting to \$1,596,716 in 1948 and \$1,167,856 in 1949, after paying 4 percent interest on finance fund certificates for financing supply operations.

The value of farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, was as follows for the years ending December 31, 1948 and 1949:

Commodity	1948	1949
Feed.....	\$5,945,911	\$5,781,136
Other supplies.....	<u>416,495</u>	<u>2,454,920</u>
Total value.....	<u>\$6,362,406</u>	<u>\$8,236,056</u>

#### LAND O'LAKES CREAMERIES, INC.

The value of feed, seed, fertilizer, and other farm supplies distributed to its members by the Land O'Lakes Creameries, Inc., with headquarters at Minneapolis, Minn., for the years ending December 31, 1948 and 1949 was as follows:

<u>Commodity</u>	<u>1948</u>	<u>1949</u>
Feed.....	\$3,353,953	\$3,356,862
Seed.....	710,459	960,152
Fertilizer.....	782,021	877,564
Other supplies.....	<u>241,752</u>	<u>200,300</u>
Total value.....	<u>\$5,088,185</u>	<u>\$5,394,878</u>

#### COMBINED DOLLAR VOLUME

Altogether, the total dollar volume of supplies distributed by these four marketing associations amounted to \$62,418,691 in 1948 and \$65,494,769 in 1949. This shows an increase of about 5 percent. Feed was the principal supply item handled. The dollar volume of feed in 1949, however, was around 1 percent less than that in 1948. In 1949 feed represented 79 percent of the total dollar volume of supplies distributed, while in 1948 it represented 83 percent. The dollar volume of other supplies handled increased from \$10,593,290 in 1948 to \$13,979,940 in 1949.





